

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. NO.: 3942-01
BILL NO.: HB 1630
SUBJECT: Economic Development, Tobacco-Dependent Communities Revitalization.
TYPE: Original
DATE: February 15, 2000

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
General Revenue	(Unknown)	(Unknown)	(Unknown)
Tobacco-Dependent Communities Revitalization Fund	\$0	\$0	\$0
Total Estimated Net Effect on <u>All</u> State Funds*	(Unknown)	(Unknown)	(Unknown)

* **Subject to appropriation from the General Assembly.** Costs, if any, would exceed \$100,000

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
None			
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
Local Government*	Unknown	Unknown	Unknown

* **Subject to appropriation from the General Assembly.**

Numbers within parentheses: () indicate costs or losses

This fiscal note contains 4 pages.

FISCAL ANALYSIS

ASSUMPTION

In a similar proposal from this year, **Department of Economic Development** (DED) officials stated the proposal creates a grant program to provide assistance to communities with economies dependent on tobacco production. Grants would be issued by DED to assist with creating new sources of income for communities affected by loss of tobacco related revenue, due to the Tobacco Settlement. DED assumes personnel, equipment and expenses would be needed to implement the proposal, but the amount of operations budget would depend on clarifying language. (NOTE: Officials note that there are twenty-five counties which have U.S. Department of Agriculture tobacco quotas. There are 318 cities in those counties.)

For purposes of this note **Oversight** assumes:

- 1) unknown revenues from the tobacco master settlement agreement would be appropriated to the Tobacco-Dependent Communities Revitalization Fund rather than the General Revenue Fund;
- 2) unknown expenditures for grants to the sponsoring organizations and ultimately to the tobacco-dependent communities would occur;
- 3) unknown administrative costs would be incurred by the Department of Economic Development;
- 4) grants and administrative costs would equal income from appropriations to the Tobacco-Dependent Communities Revitalization Fund; and
- 5) Political subdivisions would receive income in the form of the grants.

The **Department of Agriculture, State Treasurer's Office, University of Missouri - Outreach & Extension, and the Department of Health** assume this proposal will not fiscally impact their agencies.

L.R. NO. 3942-01
BILL NO. HB 1630
PAGE 3 OF 4
February 14, 2000

<u>FISCAL IMPACT - State Government</u>	FY 2001 (10 Mo.)	FY 2002	FY 2003
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GENERAL REVENUE FUND

<u>Cost</u> - Transfers to the Tobacco-Dependent Communities Revitalization Fund	(Unknown)	(Unknown)	(Unknown)
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ESTIMATED NET EFFECT ON GENERAL REVENUE FUND	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
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-SUBJECT TO APPROPRIATION-

**TOBACCO-DEPENDENT COMMUNITIES
REVITALIZATION FUND**

Department of Economic Development (DED)

<u>Income</u> - Transfers from General Revenue Fund	Unknown	Unknown	Unknown
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<u>Costs</u> - DED administrative costs	(Unknown)	(Unknown)	(Unknown)
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<u>Costs</u> - Grants to tobacco-dependent communities_____	(Unknown)	(Unknown)	(Unknown)
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NET EFFECT ON TOBACCO-DEPENDENT COMMUNITIES REVITALIZATION FUND	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
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<u>FISCAL IMPACT - Local Government</u>	FY 2001 (10 Mo.)	FY 2002	FY 2003
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POLITICAL SUBDIVISIONS

<u>Income</u> - Grants from Tobacco-Dependent Communities Revitalization Fund	Unknown	Unknown	Unknown
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NET EFFECT ON POLITICAL SUBDIVISIONS	<u>UNKNOWN</u>	<u>UNKNOWN</u>	<u>UNKNOWN</u>
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RAS:LR:OD:005 (9-94)

FISCAL IMPACT - Small Business

Small businesses those communities that are awarded grants would benefit from revitalization of those communities.

DESCRIPTION

This proposal establishes the Tobacco-Dependent Communities Revitalization Fund in the state treasury. The fund may receive appropriations from the state share of the Master Settlement Agreement or from general revenue.

Moneys in the fund will be used solely for providing grants to certain sponsoring organizations which provide plans to reverse the dependence of tobacco-dependent communities on tobacco production and that revitalize the area. The Office of Rural Development will administer the grant program.

No grant will be awarded after August 28, 2010. Any moneys remaining in the fund after August 28, 2016, will revert to general revenue.

These provisions will expire on August 28, 2016.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Economic Development
Department of Agriculture
State Treasurer's Office
University of Missouri (extension service)
Department of Health



Jeanne Jarrett, CPA
Director
February 15, 2000